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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/071,066	04/12/2002	Richard C Johnson	ORCL5595CIP	3384
53156	7590	10/21/2005		
YOUNG LAW FIRM, P.C. 4370 ALPINE RD. STE. 106 PORTOLA VALLEY, CA 94028			EXAMINER HEWITT II, CALVIN L	
			ART UNIT	PAPER NUMBER
			3621	

DATE MAILED: 10/21/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 10/071,066	Applicant(s) JOHNSON, RICHARD C	
	Examiner Calvin L. Hewitt II	Art Unit 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 July 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-43 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-43 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>8-8-05</u> . | 6) <input type="checkbox"/> Other: _____ |

EA

Status of Claims

1. Claims 1-43 have been examined.

Response to Arguments/Amendments

2. Applicant is of the opinion that the combined prior art does not teach Applicant's system. Specifically, Applicant asserts that Abecassis does not teach storing a representation of a draft at a secured computer site and creating a first online letter of credit, the Examiner respectfully disagrees.

Abecassis teach a computer site (figure 1A; column/line 5/65-6/7) for facilitating transactions between buyers and sellers. In order to access said site buyers and sellers use special cards (column 5, lines 1-25), PINs (column 6, lines 8-16), password (column 8, lines 54-58) and access codes (column/line 10/59-11/11) therefore the computer site is secure. Regarding a draft, Applicant's Specification details a financial object in electronic form (i.e. draft) that allows a payee to present said object to a financial institution in order to receive payment (Specification, page 16, lines 10-16). Claim 1 on the other hand merely recites a representation of the draft and not the draft itself. The computer site of Abecassis includes a representation of the draft in the form of card or check (e.g. draft)

identifying data received from the buyer (column 7, lines 5-34) via an electronic device (figure 1A; column/line 7/60-8/8).

Applicant has amended claim 1 to include the limitation of effecting payment “through the created first online letter of credit”. To one of ordinary skill a *letter of credit* is “an instrument or document issued by a bank guaranteeing payment of a customer’s drafts” while a *draft* is an order by which a drawer (e.g. buyer) instructs a drawee (e.g. bank) to pay a specified sum to a payee (e.g. seller) (Barron’s Financial Guides, Dictionary of Financial and Investment Terms). However, according to Applicant’s claimed method, payment is associated with the draft and only optionally with the credit. Further, the letter of credit is only linked to the drawer and not the draft itself (“creating a first online letter of credit linked to a drawer of the draft...”). Therefore, Applicant’s method, although it mentions common financial methods (e.g. LOC, draft) familiar to an ordinary artisan, they are not used in the same manner. Claim 1 recites “a first online letter of credit linked to a drawer of the draft and including predetermined terms. Satisfaction of the terms being a precondition to the financial service provider extending credit to the drawer”, however it is unclear how payment can be enabled using the claimed “first online letter of credit”. According to the claim, a drawer creates a letter of credit with conditions where the credit can only be extended if the conditions are met. However, the claim uses the language *satisfaction of the terms* which implies that the terms have yet to be satisfied and

therefore no credit has been extended. Based on this analysis, Examiner is interpreting the second limitation of claim 1 as creating a guarantee linked to the draft such that when the appropriate conditions are satisfied a payee is able to receive payment a feature clearly taught by Abecassis (figures 6-12; column 7, lines 55-60; column/line 8/28-9/13).

Regarding the 112 rejection, the rejection is maintained as payment is based on conditions agreed upon between the buyer and seller and the seller has the FSP's promise-to-pay (page 58, lines 7-17), hence Applicant's teaching at least suggests to one of ordinary skill that a seller has knowledge of the agreement that financially supports the promise-to-pay. And although Applicant states that a seller does not have access or knowledge of the letter of credit, Applicant system does not provide a system structure or process that would, in essence, keep the letter secret.

In response to the amendment to claim 1 the Examiner has applied a new 112 rejection.

The following assertion of facts have gone unchallenged and are considered admitted prior art:

- processing fees and fees
- performance bonds and associated protection mechanisms to help guarantee satisfactory provision of goods and services from a seller

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 14 and 38 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claims 14 and 38 recite keeping the existence of a first letter of credit from a drawee. However, to one of ordinary skill, a seller (i.e. drawee) engaged in a commercial transaction with a buyer (i.e. drawer) using Applicant's system has knowledge of such a letter as the seller relies on Applicant's system to guarantee payment (Specification, page/line 52/7-53/17).

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 1-23 and 38 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites “a first online letter of credit linked to a drawer of the draft and including predetermined terms. Satisfaction of the terms being a precondition to the financial service provider extending credit to the drawer”, however it is unclear how payment can be enabled using the claimed “first online letter of credit”. According to the claim, a drawer creates a letter of credit with conditions where the credit can only be extended if the conditions are met. However, the claim uses the language *satisfaction of the terms* which implies that the terms have yet to be satisfied and therefore no credit has been extended.

Claims 2-23 are also rejected as they depend from claim 1.

Claims 14 and 38 recite keeping the existence of a first letter of credit from a drawee. However, to one of ordinary skill, a seller (i.e. drawee) engaged in a commercial transaction with a buyer (i.e. drawer) using Applicant's system has knowledge of such a letter as the seller relies on Applicant's system to guarantee payment (Specification, page/line 52/7-53/17).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Abecassis, U.S. Patent No. 5,426,281 in view of Ogilvie, U.S. Patent No. 6,343,738.

As per claims 1-43, Abecassis teaches transaction system that includes payment via a secure electronic draft comprising:

- establishing a secure computer site, controlled by a financial service provider, that includes a representation of the draft (abstract; figure 1A; column/line 5/65-6/35)
- creating a first online letter of credit linked to a drawer of the draft and including pre-determined terms, satisfaction of the terms being a precondition to the financial services provider extending the credit (column 8, lines 17-40)
- releasing payment on the draft to a drawee of the draft, upon removal of contingency (e.g. performance of services, date restrictions, etc.), an optional portion of the released payment originating from the credit extended to the drawer (column 7, lines 50-60; column 8, lines 17-40)
- sequestering funds at least equal to a portion of the payment of the draft (abstract; column 6, lines 8-16; column 7, lines 5-34)
- a first letter of credit that is revocable or irrevocable (abstract; column 6, lines 8-16; column 7, lines 5-34; column 10, lines 10-38; column 11, lines 30-51)

- establishing a line of credit for a single or multiple transactions (abstract; column 6, lines 8-16; column 7, lines 5-34)
- a secure computer site configured to keep a drawee from the first letter of credit (figures 1A and B; column 7, lines 50-60; column 8, lines 17-40)

Abecassis teaches using any suitable conditions to define a successful transaction [claims 7, 23, 32 and 42]. Therefore, the prior art suggests to one of ordinary skill the use of a time limit in order to prevent fraudulent transactions services. Regarding processing fees, fees are old and well-known and an obvious method for generating revenues [claims 8, 9, 12, 33, and 34]. Similarly, performance bonds are old and well-known, therefore it would have been obvious to one of ordinary skill to provide a buyer with protection mechanism to help guarantee satisfactory provision of goods and services [claims 15-20, 24, and 39]. However, Abecassis does not specifically recite authenticating drawer and drawee. Ogilvie teaches authenticating parties to an escrowed transaction (column 20, lines 40-56). Therefore, it would have been obvious to one of ordinary skill to combine the teachings of Abecassis and Ogilvie in order to protect drawer and drawee private information ('738, column 20, lines 40-48).

Conclusion

9. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

10. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Calvin Loyd Hewitt II whose telephone number is (571) 272-6709. The Examiner can normally be reached on Monday-Friday from 8:30 AM-5:00 PM.

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If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, James P. Trammell, can be reached at (571) 272-6712.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

c/o Technology Center 2100

Washington, D.C. 20231

or faxed to:

(571) 273-8300 (for formal communications intended for entry and after-final communications),

or:

(571) 273-6709 (for informal or draft communications, please label

"PROPOSED" or "DRAFT")



Calvin Loyd Hewitt II

October 14, 2005